ENERGY ONE LIMITED

ABN 37 076 583 018

APPENDIX 4D
for the half year ended 31 December 2020

Contents

Level 13, 77 Pacific Highway
North Sydney NSW 2060
Phone : 61 2 8916-2200
www.energyone.com

Energy One Limited

37 076 583 018

Appendix 4D
Half Year Final Financial Report

Reporting Period	**for the half year ended 31 December 2020**
Previous Reporting Period	for the half year ended 31 December 2019

Results for announcement to the market	**31 Dec 2020**	31 Dec 2019	Change
	$ '000	$ '000	%
Revenue and other income	**14,009**	9,662	45%
EBITDA *	**4,169**	2,342	78%
Net profit before tax	**2,680**	765	250%
Profit after tax attributable to members	**2,026**	407	398%
Net tangible asset backing per ordinary share shown (in cents) **	**50.06**	**19.54**	156%
Earnings per share (in cents)	**7.85**	1.78	341%

* Before acquisition and related costs
** NTA includes software development used to generate income and excludes deferred tax assets and amounts recognised under AASB16 Leases

Commentary

Please refer to the attached Chief Executive Officer's commentary and financial report for the half year ended 31 December 2020.

Other information

Control gained over entities having a material effect

eZ-nergy SAS effective 3 June 2020

Loss of control over entities having a material effect

N/A

Details of associates and joint venture entities

Please refer to the 30 June 2020 Financial Statements for details.

Audit Status

This report is based on accounts that have been subject to review.

Attachments

Further disclosure can be found in the notes to the attached interim Financial Report.

Dividends	**Amount per ordinary share**	**Franked Amount per ordinary share**
Dividend for the year ended 30 June 2020 declared 25 August 2020 paid 16 October 2020	3.50 Cents	0.00 Cents
Dividend for the year ended 30 June 2019 declared 22 August 2019 paid 21 October 2019	3.00 Cents	0.00 Cents

Shaun Ankers - Chief Executive Officer

19 February 2021

The Energy One Group is pleased to report another profitable period of growth for the six months to 31 December 2020. This was achieved through growth in both our Australasian (AU) business and our European businesses (Contigo Software Limited and eZ-nergy SAS).

Financial Performance
The financial performance of the Group (versus the prior comparative period), was as follows:

- Group revenue (and other income) of $14.0M up 45%
- EBITDA of $4.17M up 78%
- NPBT was $2.68M up 250%
- NPAT of $2.0M up 398%

We are also pleased to note basic earnings per share of 7.85 cents (diluted: 7.73 cps), up 341% from 1.78 cps (Diluted 1.76 cps) in the prior comparative period (pcp).

The first half of FY21 has been very strong, and we expect the second half to be slightly reduced in comparison.

The improvement in revenue is a combination both of organic growth, and of the recently acquired French business, eZ-nergy. EBITDA margin also increased from 24% to 30% over the period. This was a direct result of the ability of our leadership teams to extract synergies from the businesses, the margin contribution from eZ-nergy, and from economies of scale that are emerging as the business continues to grow in both size and sophistication.

Australian performance
Revenue and other income for the Australasian business was $6.62M, up 17.8% on the pcp (Dec 2019: $5.62M). EBITDA of $1.99M was up 37% on the pcp (Dec 2019: $1.45M), assisted by improved EBITDA margin of 30% (up from 26%) associated with organic growth in recurring revenues.

European performance
European business revenue and other income grew to $7.38M (Dec 2019: $4.03M), benefitting from a full half of revenue contribution from eZ (of $2.29M), but also including organic revenue growth for Contigo of 26% (vs pcp).

Likewise, Europe produced a first half EBITDA result of $2.18M, up ~145% on the pcp (Dec 2019: $0.89M). European EBITDA margin also increased during the period, from 22% to 29.5% emphasising the progress being made with synergies and growth and the contributions being made by eZ.

With two businesses, one operating in the UK and one operating in the EU, we have not encountered any Brexit related issues.

Group performance
Group recurring revenues for the half were $11.17M or 81% of total revenue, compared to 76% in the prior comparative period. Australasian recurring revenues were up 37% and UK recurring revenue was up 15% (FX-adjusted growth was 18%). Recurring revenues are those represented by Licences, Support and other recurring services, and excludes one-off project or Time and Materials assignments (see Note 2).

The Group continues to invest in innovation and product development to improve our products and keep them relevant and up to date for our customers and the markets in which they operate. As a proportion of turnover, capitalised software development costs were 11%, slightly down on the pcp of 14%, noting that the recent sizeable investment in the 5MS market changes for Australia is now being completed. We take a conservative approach to capitalising R&D and do not capitalise all our innovation investment.

We continue to make ongoing investments in developing integration connections between software platforms, enabling software modules that can be cross sold between the Australian, UK and European platforms.

Australian business update

Consistent with past practice, Management remain focussed on growing our AU business and responding to opportunities created by changing market structure and regulation. We are proud of our commitment to the Australasian energy market and remain the only 'large' ETRM vendor that has a permanent physical presence in Australia with an attendant focus on our local customers' needs and requirements.

In December 2020, we successfully shipped the updated versions of our software that have been prepared ahead of the upcoming switch to the new Australian '5-minute market' (5MS) in September 2021. This change is the single largest structural change to the market since its inception and the new versions enable our customers to trade and dispatch electricity in the new market.

During the year we undertook further product development on the pypIT system to enable our customers to operate within the ever-changing gas trading market. We also provided an upgrade to the User Interface for EnergyOffer and upgrades to other products enhancing their performance and capability. These projects form part of a continued commitment to keeping all our products innovative, fresh and capable, for the markets they serve.

In addition, we acquired new entrant customers for our SimEnergy and NemSight products from both the generation and retail segments. In the past few months, we have also reached completion on large implementations for *EnergyOneTrading*. Both of these projects have now reached customer acceptance. EnergyOffer also went live for a new client during the year, as did EnergyFlow. We also re-signed two existing large customers on multi-year deals.

The Australian pipeline of opportunities entering the second half includes another 1-2 major projects in development phase, at least one of which is expected to sign in the second half, as well as several smaller projects, upgrades, enhancements and new sales for each of our main products.

In the new energy space, battery power, embedded generation (e.g. Photovoltaic panels) and demand-side technology are all areas of focus for us, with novel product innovations and new features for existing products being developed to assist these new technologies.

European and UK business update

On 3 June 2020, eZ-nergy SAS joined the Group as our EU-domiciled business centre, joining Contigo Software Limited as the launchpad for our European expansion strategy.

eZ-nergy, a French-based, Software As A Service company provides software for the physical scheduling and nomination of energy for European markets. eZ-nergy (eZ) is a highly appealing business for Energy One, particularly because of its symbiotic/synergistic nature with Contigo's product suite.

Contigo continues to grow its presence in the UK and Europe, whilst combining products and solutions with eZ to increase our reach and opportunity.

During 2020:

- eZ-nergy won 14 new accounts in 2020 (a record year) including several prestige clients in the 'major industrial' segment. Large customers often insist on dealing with companies that have broad capabilities and strong balance sheets. Being part of a larger group has allowed eZ to meet these customer requirements improving our chances of winning contracts.
- *eZ-Ops* and *enTrader* –provide an opportunity for customers to manage their physical and contract energy positions seamlessly. The two products already share customers in common. During 2020 the Company won a major EU utility with its joint product offering under a single contract and service agreement.
- Contigo won 6 new accounts during the year, losing 1 due to a market exit. Contigo grew its recurring revenue base by 26% on the pcp and improved earnings margins again for another year, demonstrating the quality of EOL's business practices and leadership expertise.
  Contigo has recently been busy implementing two large projects. Both of these two projects have now reached a phase 1 go-live and are progressing well.

Contigo and eZ products share the same underlying technology, allowing for strong integration and operational synergies. In the year ahead, further integration of product solutions will take place, to improve efficiency and leverage the benefits of common technology stacks.

Both companies' products are offered as fully SaaS-deployed offerings, making them fast to deploy, cost-effective and reliable for users. eZ also offers business process outsourcing for the scheduling and nominations requirements of the European markets, a business line we intend to develop and grow.

Summary

The Energy One group has customer installations in 19 countries. We are already recognised as an established independent vendor of ETRM systems, particularly in Australasia and Europe. Our goal in the next period (12 months) is to continue to establish ourselves in Europe and the UK, growing our market share as a major disrupter and challenger brand.

In an industry where implementing large systems typically involves complex projects with a history of project over-runs, we know that our excellent track record and reputation for delivering ETRM systems on time and within budget, using the agile approach, is a point of difference with customers looking for cost-effective solutions to replace legacy systems.

Our sales pipelines in all markets remain strong and we have not experienced any material deterioration in market conditions that some other software vendors have experienced, arising from recent market structure and regulation changes. Nor has the business suffered from any material effects of Covid-19. It is worth noting that during the pandemic the Company has not received the Job Keeper subsidy offered by the Australian Government. Our customers, being energy providers, are an essential services industry. The software and services we provide them are likewise mission-critical to the business of the logistics and trading of bulk, wholesale energy. Our service, support and development have remained effective and efficient, which is a tribute to our employees' commitment to our customers. We continue to work on flexible arrangements to safely optimise the in-office and in-home operations across Australia and Europe.

We are pleased with the continual improvement in financial performance and steady, synergistic growth in customer numbers and revenues, without losing focus on continued, reliable profitability, and ongoing investment in the development and enhancement of products.

We now hold strong positions in the physical and contract trading software for electricity and gas and have an increasing presence in Europe. We also remain committed to building on our existing product range, reputation and customer base to make EOL a one-stop shop for energy trading software and services in our target markets here and abroad.

With this in mind, the Board expects that the full-year FY21 will produce a result in the order of Revenue $27.5M and EBITDA (excluding any one-offs) of $8.0M. NPAT is expected to be in the order of $3.7m

Shaun Ankers - Chief Executive Officer

Interim Financial Report
for the half year ended 31 December 2020

Contents **Page**

Your directors present their report on Energy One Limited (the Company) and its controlled entities (the Group) for the half year ended 31 December 2020.

Directors

The names of directors who held office during or since the end of the half-year :

Andrew Bonwick – Chairman
Shaun Ankers – Chief Executive Officer
Ian Ferrier - Non-executive Director
Ottmar Weiss – Non-executive Director
Vaughan Busby – Non-executive Director

Principal activities

The principal activity of the Group during the half year was the development and supply of software services to energy companies and utilities.

There were no significant changes in the nature of the principal activities of the Group during the half year.

Review of operations

The revenue and other income for the Group for the half year was $14,009,000 (31/12/2019: $9,662,000). The earnings before depreciation, amortisation, interest, tax and acquisition costs was $4,169,000 (31/12/2019: $2,342,000). The net profit before tax was $2,680,0000 (31/12/2019: $765,000) and net profit after tax for the Group for the half year was $2,026,0000 (31/12/2019: $407,000).

Significant changes in the state of affairs

On 3 June 2020, Energy One Limited purchased eZ-nergy SAS ("eZ-nergy") for a total consideration of €4,000,000 ($6,980,000) to be paid in cash, equity and three instalments over an 18-month period. The initial payment comprised €2,000,000 cash and €500,000 in equity, with 3 further payments of €500,000 due 6, 12 and 18 months from acquisition date. This initial cash payment was mostly funded from an equity placement and Share Purchase Plan in 2020. The later cash instalments will be funded from the Group's working capital and existing reserves. As at 31 December €500,000 has been paid in line with the share purchase agreement.

There were no other material changes in the first half of FY21. The Group has continued to invest in people and systems to ensure that Energy One maintains its position both as a leader in information systems within the energy trading and risk management (ETRM) software market - both in Australasian and European markets.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand dollars, unless otherwise stated, in accordance with Corporations Instrument 2016/191, as issued by the Australian Securities and Investments Commission relating to 'rounding-off'.

Auditor's independence declaration

The auditor's independence declaration, as required under section 307C of the Corporations Act, for the year ended 31 December 2020 has been received and can be found after this Directors' Report.

Andrew Bonwick
Chairman
19 February 2021

Shaun Ankers
Managing Director

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF ENERGY ONE LIMITED

As lead auditor for the review of Energy One Limited for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Energy One Limited and the entities it controlled during the period.

Clayton Eveleigh
Director

BDO Audit Pty Ltd

Sydney, 19 February 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half year ended 31 December 2020

	Note	Consolidated Group 31 Dec 2020 $ '000	31 Dec 2019 $ '000
Revenue and other income			
Revenue	2	**13,830**	9,442
Other income	2	**179**	220
		14,009	9,662
Expenses			
Direct project costs		**(831)**	(683)
Employee benefits expense	3	**(7,059)**	(5,192)
Depreciation and amortisation expense	3	**(1,379)**	(1,134)
Rental expenses on short term leases		**(76)**	(25)
Consulting expenses		**(651)**	(373)
IT and communication		**(235)**	(247)
Insurance		**(143)**	(93)
Accounting fees		**(164)**	(115)
Finance costs	3	**(65)**	(152)
Acquisition and related expenses		**(49)**	(301)
Travel and accommodation		**(8)**	(181)
Shareholder and listing expenses		**(75)**	(56)
Other expenses		**(594)**	(345)
		(11,329)	(8,897)
Profit before income tax		**2,680**	765
Income tax expense	4	**(654)**	(358)
Profit after income tax attributable to owners of the parent entity		**2,026**	407
Basic earnings per share (cents per share)		**7.85**	1.78
Diluted earnings per share (cents per share)		**7.73**	1.76
Other comprehensive income :-			
Profit after income tax attributable to members		**2,026**	407
Exchange differences arising from translation of foreign operations		**(104)**	253
Total comprehensive income		**1,922**	660
Total comprehensive income attributable to owners of the parent entity		**1,922**	660

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
as at 31 December 2020

	Note	Consolidated Group 31 Dec 2020 $ '000	30 Jun 2020 $ '000
Current Assets			
Cash and cash equivalents	5	**3,457**	3,534
Trade and other receivables	6	**4,732**	3,944
Other assets	7	**437**	672
Total Current Assets		**8,626**	8,150
Non-Current Assets			
Property, plant and equipment	8	**293**	351
Lease right-of-use assets	9	**3,037**	1,358
Software development	10	**14,604**	14,109
Intangible assets	11	**8,632**	8,597
Other assets	7	**240**	39
Total Non Current Assets		**26,806**	24,454
Total Assets		**35,432**	32,604
Current Liabilities			
Trade and other payables	12	**4,340**	4,068
Lease liabilities	9	**647**	409
Income tax payable		**565**	748
Contract Liabilities	15	**3,680**	3,317
Provisions	14	**1,056**	928
Total Current Liabilities		**10,288**	9,470
Non-Current Liabilities			
Trade and other payables	12	**0**	778
Lease liabilities	9	**2,483**	1,056
Borrowings	13	**234**	644
Contract liabilities	15	**816**	1,017
Deferred tax liability	4	**874**	791
Provisions	14	**145**	156
Total Non Current Liabilities		**4,552**	4,442
Total Liabilities		**14,840**	13,912
Net Assets		**20,592**	18,692
Equity			
Contributed equity	16	**19,799**	18,689
Reserves	17	**126**	465
Accumulated profit / (losses)		**667**	(462)
Total Equity		**20,592**	18,692

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the half year ended 31 December 2020

	Note	Contributed Equity $ '000	Share Based Payments Reserve $ '000	Foreign Exchange Reserve $ '000	Accumulated Losses $ '000	Total $ '000
		Consolidated Group				
Balance as at 1 July 2019		10,024	229	187	(1,463)	8,977
Total comprehensive profit for the half year:						
Profit after income tax for the period		0	0	0	407	407
Other comprehensive income		0	0	253	0	253
		0	0	253	407	660
Transactions with owners in their capacity as owners:						
Share issues		642	0	0	0	642
Dividends paid		0	0	0	(646)	(646)
Other transactions :-						
Share based payments		79	379	0	0	458
Shares vesting		493	(493)	0	0	0
Balance at 31 December 2019		11,238	115	440	(1,701)	10,092
Balance as at 1 July 2020		**18,689**	**529**	**(64)**	**(462)**	**18,692**
Total comprehensive profit for the half year:						
Profit after income tax for the period		0	0	0	2,026	2,026
Other comprehensive income		0	0	(104)	0	(104)
		0	0	(104)	2,026	1,922
Transactions with owners in their capacity as owners:						
Share issues	16	404	0	0	0	404
Dividends paid		0	0	0	(897)	(897)
Other transactions :-						
Share based payments	16	73	398	0	0	471
Shares vesting	16	633	(633)	0	0	0
Balance at 31 December 2020		**19,799**	**294**	**(168)**	**667**	**20,592**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the half year ended 31 December 2020

	Consolidated Group	
	31 Dec 2020	31 Dec 2019
	$ '000	$ '000
Cash Flows from Operating Activities		
Receipts from customers	**13,081**	8,698
Receipts of research and development incentives	**14**	0
Payments to suppliers and employees	**(9,841)**	(7,808)
Finance costs	**(65)**	(152)
Interest received	**3**	9
Income tax	**(469)**	(238)
Net cash provided by operating activities	**2,723**	509
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	**(37)**	(31)
Purchase of intangible assets - patents & trademarks	**0**	(50)
Payment for software development costs	**(1,509)**	(1,388)
Payment of deferred consideration	**(778)**	0
Net cash used in investing activities	**(2,324)**	(1,469)
Cash Flows from Financing Activities		
Repayment of borrowings	**(410)**	(569)
Receipts from share issues	**692**	739
Payment of dividend	**(479)**	(171)
Lease payments	**(279)**	(251)
Net cash used in financing activities	**(476)**	(252)
Net decrease in cash held	**(77)**	(1,212)
Cash and cash equivalents at beginning of financial year	**3,534**	2,216
Cash and cash equivalents at end of half year	**3,457**	1,004

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
for the half year ended 31 December 2020

Note 1 Summary of Significant Accounting Policies
This consolidated interim financial report for the half-year reporting period ended 31 December 2020 ("financial period") has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards including AASB 134: Interim Financial Reporting.

This consolidated interim financial report is intended to provide users with an update on the latest annual financial statements of Energy One Limited and its subsidiaries ('the Group'). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020, together with any public announcements made during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The consolidated interim financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars, except when otherwise indicated. This presentation is consistent with the requirements of Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Financial Statements

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and the corresponding interim reporting period.

New and amended standards adopted by the Group
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

	Consolidated Group	
	31 Dec 2020	31 Dec 2019
	$ '000	$ '000
Note 2 Revenue and Other income		
Revenue from contracts with customers		
Licences, support and other recurring services	**11,168**	7,178
Project implementation	**2,662**	2,264
	13,830	9,442
Other income		
Interest income	**3**	10
Research and development incentive income *	**138**	210
Government grants	**38**	0
	179	220
Total Revenue and Other income	**14,009**	9,662

* For government grants received in relation to R&D in the periods prior to and including 30 June 2019 where Group revenue was less than $20 million, those grants that relate to development costs capitalised are deferred and recognised in the profit and loss as research and development incentive income over the period necessary to match them with the costs that they are intended to compensate in line with AASB120.

Note 3 Expenses

	Note	Consolidated Group 31 Dec 2020 $ '000	Consolidated Group 31 Dec 2019 $ '000
The consolidated income statement includes the following specific expenses :			
Depreciation and amortisation			
Depreciation - Plant and equipment	8	**76**	57
Amortisation - Leasehold improvements	8	**4**	54
Amortisation - Lease right-of-use asset	9	**310**	310
Amortisation - Software development and patents		**973**	709
Loss on Disposal - Plant and equipment	8	**16**	4
		1,379	1,134
Interest Expense		**65**	152
Employee benefit expenses			
Superannuation expense		**622**	473
Employee share plan benefits	22	**471**	458
Other employee benefits		**5,966**	4,261
		7,059	5,192

Note 4 Income Tax Expenses

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	31 Dec 2020 $ '000	31 Dec 2019 $ '000
Prima facie tax payable on profit from ordinary activities before income tax at 26.0% (2019: 27.5%)	**696**	211
Tax effect of overseas tax rate	**(35)**	26
Add tax effect of non-deductible expenses (excluding research & development)	**90**	(6)
Income tax expense before effect of R&D Incentive and prior period tax adjustment	**751**	231
Tax effect of R&D incentive	**29**	116
Net deferred tax liability on finalised acquisition accounting of eZ-nergy	**(87)**	0
Prior year tax adjustment	**(39)**	11
Income tax attributable to entity	**654**	359

Net deferred tax :-	31 Dec 2020 $ '000	30 Jun 2020 $ '000
Opening balance	**(791)**	595
Charged to income	**77**	120
Net deferred tax liability on finalised acquisition accounting of eZ-nergy	**(87)**	(572)
Deferred tax liability on acquired software on acquisition of Contigo	**0**	(767)
Foreign exchange variance	**12**	26
Prior year tax adjustment	**(85)**	(193)
Closing balance net deferred tax asset / (liability)	**(874)**	(791)

Notes to the Financial Statements
for the half year ended 31 December 2020

	Note	Consolidated Group 31 Dec 2020 $ '000	30 Jun 2020 $ '000
Note 5 Cash and Cash Equivalents			
Cash and Cash Equivalents & Restrictive Cash Deposits		**3,457**	3,534
Restrictive cash deposits held for bank guarantees :			
Other current assets	7	**0**	148
Other non-current assets	7	**148**	0

At the reporting date, the Consolidated Group has deposits with banks that are used for restricted bank guarantees. These have been classified as Other Non-Current Assets in the consolidated statement of financial position as they have a term of more than 1 year.

	Note	31 Dec 2020 $ '000	30 Jun 2020 $ '000
Note 6 Trade & Other Receivables			
Current			
Trade receivables		**2,967**	2,244
Allowance for expected credit losses		**(120)**	(66)
Contract assets		**1,793**	1,480
R&D tax incentive		**57**	286
Other receivables		**35**	0
		4,732	3,944

		Note	31 Dec 2020 $ '000	30 Jun 2020 $ '000
Note 7	**Other Assets**			
Current	Prepayments and deposits		**437**	524
	Restricted term deposit	5	**0**	148
			437	672
Non current	Prepayments and deposits		**92**	39
	Restricted term deposit	5	**148**	0
			240	39

	Note	31 Dec 2020 $ '000	30 Jun 2020 $ '000
Note 8 Property, Plant and Equipment			
Plant and equipment at cost		**884**	958
Accumulated depreciation		**(597)**	(618)
		287	340
Leasehold improvements at cost		**467**	469
Accumulated depreciation		**(461)**	(458)
		6	11
Total property, plant and equipment		**293**	351
Movements in carrying amounts			
Opening balance		**351**	643
Additions - at cost		**37**	142
Additions - acquisition		**0**	7
Disposals	3	**(16)**	(4)
Reclassification of lease right-of-use asset		**0**	(196)
Depreciation and amortisation expense	3	**(80)**	(237)
Foreign exchange currency translation		**1**	(4)
Closing balance		**293**	**351**

	Consolidated Group	
	31 Dec 2020	30 Jun 2020
	$ '000	$ '000
Note 9 Lease Right of Use Assets & Lease Liabilities		
Lease right-of-use cost	**1,967**	1,967
Additions	**1,882**	0
Disposals	**(469)**	0
Modifications	**111**	0
Lease right-of-use accumulated amortisation	**(454)**	(609)
	3,037	1,358
Lease liabilities - current	**647**	409
Lease liabilities - Non current	**2,483**	1,056

A new lease was entered into on 1st December 2020 for the existing commercial office space in Sydney. The previous lease has been treated as a disposal on commencement of the new lease contract. There was a modified lease agreement to the UK commercial office space in Solihull on 12th December 2020. The incremental borrowing rate applied to the new Sydney lease was 2.72% and the modified UK lease was 2.75%.

Note 10 Software Development		
Software development - at cost	**20,548**	19,094
Accumulated amortisation	**(5,944)**	(4,985)
	14,604	14,109
Movements in Carrying Amounts		
Opening balance	**14,109**	9,964
Additions - at cost	**1,509**	2,691
Additions - acquisition	**0**	2,992
Amortisation	**(969)**	(1,446)
Foreign exchange currency translation	**(45)**	(92)
Closing balance	**14,604**	14,109

Note 11 Intangible Assets		
Patents and trademarks - at cost	**55**	55
Patents and trademarks - accumulated amortisation	**(39)**	(36)
	16	19
Goodwill	**8,616**	8,578
Total Intangible Assets	**8,632**	8,597

Movements in Carrying Amounts	**Patents**	**Goodwill**	**Total**
	$ '000	**$ '000**	**$ '000**
Balance as at 30 June 2020	19	8,578	8,597
Additions	**1**	**0**	**1**
Amortisation	**(4)**	**0**	**(4)**
Net deferred tax liability on finalised acquisition accounting of eZ-nergy	**0**	**87**	**87**
Foreign exchange currency translation	**0**	**(49)**	**(49)**
Balance as at 31 December 2020	**16**	**8,616**	**8,632**

Notes to the Financial Statements
for the half year ended 31 December 2020

		Consolidated Group 31 Dec 2020 $ '000	30 Jun 2020 $ '000
Note 12	**Trade and Other Payables**		
Current	Trade payables	**346**	402
	GST payable	**764**	616
	Sundry creditors and accruals	**1,668**	1,463
	Deferred acquisition consideration	**1,562**	1,587
		4,340	4,068
Non Current	Deferred acquisition consideration	**0**	778
Note 13	**Borrowings**		
Current	Term Loan	**0**	0
Non Current	Term Loan	**234**	644

The Parent company has a bank overdraft facility of $250,000 of which was undrawn at balance date (30 June 2020: $Nil). The overdraft facility attracts an interest rate at 4.59% (30 June 2020: 4.59%).

Commencing 28 November 2018, the Company received a 3 year term loan of $7,280,000 with a five year principal amortisation resulting in a monthly principal and interest repayment of $139,000 currently at an interest rate of 2.65% (30 June 2020: 2.72%). The funds provided from this term loan were used in the acquisition and funding of Contigo Software Limited. The loan has been paid down to $234,000 with $4,060,000 available to redraw at the balance date.

		31 Dec 2020 $ '000	30 Jun 2020 $ '000
Note 14	**Provisions**		
Current	Employee benefits	**1,056**	928
Non-Current	Employee benefits	**145**	156
Note 15	**Contract Liabilities**		
Current	Licences, support and other recurring services received in advance	**3,476**	3,108
	Unearned R&D Tax Incentive	**204**	209
		3,680	3,317
Non-Current	Licences, support and other recurring services received in advance	**0**	100
	Unearned R&D Tax Incentive	**816**	917
		816	1,017

Note 16 Contributed Equity	**31 Dec 2020 No shares '000**	**31 Dec 2020 $ '000**
Issued capital at beginning of the financial period	**25,410**	**18,689**
Shares issued or under issue during the period -		
Shares Issued to employees	**18**	**73**
Shares issued as a result of the vesting of share rights	**293**	**633**
Shares issued on dividend reinvestment plan	**96**	**404**
Balance at the end of the financial period	**25,817**	**19,799**

	Note	Consolidated Group 31 Dec 2020 $ '000	Consolidated Group 30 Jun 2020 $ '000
Note 17 Reserves			
Share based payment reserve			
Balance at the beginning of the financial period		**529**	229
Movement in share based payments	22	**(235)**	300
		294	529
Foreign exchange reserve			
Balance at the beginning of the financial period		**(64)**	187
Retranslation of overseas subsidiaries to functional currency		**(104)**	(251)
		(168)	(64)
Balance at the end of the financial period		**126**	465

Note 18 Segment information

The Group is managed primarily on the basis of product and service offerings and operates in one segment, being the Energy software industry, and in two geographical segments, being Australasia and UK/Europe. Management and the Board of Directors assesses the performance of the operating segment based on the accounting profit and loss.

Management and the Board of Directors have determined the Group is organised into the two geographical segments for profit and loss purposes as represented in the following table :-

	Australasia 31 Dec 2020 $ '000	**UK/Europe 31 Dec 2020 $ '000**	Australasia 31 Dec 2019 $ '000	UK/Europe 31 Dec 2019 $ '000
Revenue & other income	**6,621**	**7,385**	5,623	4,029
Expenses	**(4,636)**	**(5,201)**	(4,170)	(3,140)
Earnings before interest, tax, depreciation & amortisation	**1,985**	**2,184**	1,453	889
Depreciation & amortisation	**(780)**	**(598)**	(696)	(438)
Earnings before interest, tax and acquisition costs	**1,205**	**1,586**	757	451

	Consolidated Group 31 Dec 2020 $ '000	Consolidated Group 31 Dec 2019 $ '000
Reconciliation of unallocated amounts to profit after tax :-		
Earnings before interest, tax and acquisition costs	**2,791**	1,208
Interest paid	**(65)**	(152)
Interest received	**3**	10
Acquisition and related costs	**(49)**	(301)
Profit before income tax	**2,680**	764

Segment revenue excludes interest received. Expenses exclude interest paid, depreciation, amortisation and acquisition costs.

During the financial period, the Australasian segment derived 37% (31 December 2019 : 36%) of revenue from the top three customers and the UK/Europe segment derived 28% (31 December 2019 : 25%) from the top three customers.

Note 19 Business combinations

eZ-nergy SAS

On 3 June 2020, Energy One Limited purchased eZ-nergy SAS ("eZ-nergy") for a total consideration of €4,000,000 ($6,980,000) to be paid in cash, equity and three instalments over an 18-month period. The initial payment comprised €2,000,000 cash and €500,000 in equity, with 3 further payments of €500,000 due 6, 12 and 18 months from acquisition date. This initial cash payment was mostly funded from an equity placement and Share Purchase Plan in 2020. The later cash instalments will be funded from the Group's working capital and existing reserves. As at 31 December 2020 €500,000 has been paid in line with the share purchase agreement.

eZ-nergy SAS is a Software as a Service (SaaS) energy trading software and services business. Established in 2013 and based in Paris, eZ-nergy have 18 staff and 45 customers in 9 countries, operating in the 24/7 European energy market.

	2020	
Consideration paid and or payable :-	EUR € '000	AUD $ '000
Cash on acquisition	2,000	3,297
Cash instalments payable	1,500	2,472
Equity issued - 364,628 shares	500	824
	4,000	6,593
Adjusted for :-		
Net present value of instalments at 2.72%	(40)	(65)
Market value of shares issued at $3.50	274	452
	4,234	**6,980**
Fair Value Recognised on acquisition :-		
Current Assets		
Cash and cash equivalents	1,289	2,124
Trade and other receivables	383	630
Other current assets	65	108
	1,737	2,862
Non Current Assets		
Property, plant and equipment	4	7
Software development - at valuation	1,826	3,010
Goodwill on acquisition	1,713	2,824
	3,543	5,841
Total Assets	5,280	8,703
Current Liabilities		
Trade and other payables	206	340
Income tax payable	32	53
Contract liabilities	342	564
Employee provisions	67	109
	647	1,066
Non Current Liabilities		
Employee provisions	6	9
Net deferred tax liabilities	393	648
	399	657
Total Liabilities	1,046	1,723
Net Assets	**4,234**	**6,980**

As at 30 June 2020 the business combination accounting for eZ-nergy SAS was accounted for on a provisional basis due to the timing of the acquisition and the year end. As at 31 December 2020 the acquisition accounting has been finalised and a revised assessment of the tax base relating to fair value of software acquired on acquisition of eZ-nergy SAS was completed. The completion balance sheet has also been reviewed to include a deferred tax asset, recognised on various timing differences. Both these changes have resulted in a net increase in deferred tax liabilities and goodwill at the date of acquisition, reflected in the current period as an adjustment to the acquisition accounting.

Notes to the Financial Statements
for the half year ended 31 December 2020

Note 20 Commitments

The Group has no commitments as at 31 December 2020 or at the comparative period end.

Note 21 Subsequent Events

No matter or circumstance has arisen since 31 December 2020 which is not otherwise dealt with in this report, that has significantly affected or may significantly affect the operations of the Group, the results of its operations or the state of affairs of the Group.

	Consolidated Group	
	31 Dec 2020	30 Jun 2020
	$	$
Note 22 Share Based Payments		
Total expense arising from the Energy One Equity Incentive Plan (EIP) share based payments for the financial period	**470,826**	917,784
Movements in share rights under the EIP for the financial period:	**No of rights**	No of rights
Balance at the beginning of the financial period	**560,238**	510,916
Rights granted	**271,165**	560,238
Rights lapsing	**(131,799)**	0
Rights vested and issued as ordinary shares	**(293,439)**	(510,916)
Balance at the end of the financial period	**406,165**	560,238
Average issue price in dollars	**3.45**	2.17

The Company issued the following share rights on 02 November 2020 under the EIP which was also approved at the AGM on 20 October 2020 :-

110,380 Shares to Senior Executive Staff of Energy One Limited vesting on performance and service conditions between 31 August 2021 and 31 August 2023 valued at and average of $4.024.

The Company issued the following share rights on 2 November 2020 as approved at the AGM dated 20 October 2020 and under the EIP which was also approved at the AGM on 20 October 2020 :-

30,460 Shares rights to Non Executive Directors vesting on service conditions to 31 October 2021 valued at $4.015.
85,000 Shares rights to the Chief Executive Officer vesting on performance (KPI based) and service conditions to 31 August 2021 valued at an average of $4.05.

The Company issued the following share rights on 19 November 2020 :-

45,325 Shares to Senior Executive Staff of Contigo Software Limited vesting on performance and service conditions between 31 August 2021 and 31 August 2023 valued at and average of $4.024.

The Company issued the following shares on 16 July 2020 on the vesting of shares rights issued on 19 July 2019 under the EIP :-

25,000 Shares to the CFO vesting on service conditions valued at $1.77.

The Company issued the following shares on 01 September 2020 on the vesting of shares rights issued on 22 November 2020 under the EIP :-

88,511 Shares to Senior Executive Staff vesting on performance and service conditions valued at an average $2.05.
65,000 Shares to the Chief Executive Officer vesting on performance and service conditions valued at $2.35.

The Company issued the following shares on 02 November 2020 on the vesting of share rights issued under approval at the AGM on 24 October 2019 under the EIP :-

71,622 Shares to Non Executive Directors vesting on service conditions valued at $2.31.

The Company issued 9,466 shares at $4.10 on 2 November 2020 to Energy One Limited employees under the EIP which was approved at the AGM 20 October 2020.

The Company issued 8,262 shares at $4.10 on 18 December 2020 to Contigo Software Limited employees.

Directors' Declaration
for the half year ended 31 December 2020

In the Directors' opinion:

(a) the financial statements and notes set out on 10 to 22 are in accordance with the Corporations Act 2001, including:

- (i) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001;
- (ii) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors' made pursuant to section 303(5)(a) of the Corporations Act

Andrew Bonwick
Chairman
19 February 2021

Shaun Ankers
Chief Executive Officer

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Energy One Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Energy One Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group’s financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

Clayton Eveleigh
Director

Sydney, 19 February 2021